Supreme Court, U.S.
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No. 95-___

In The

Supreme Court of the United States

October Term, 1995

INTERNATIONAL RECTIFIER CORPORATION,

Petitioner,

v.

SGS-THOMSON MICROELECTRONICS, INC.,

Respondent.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

When a party seeks only equitable relief (in this case an injunction barring further acts of patent infringement), does the opposing party gain the right to a jury trial under the Seventh Amendment to the United States Constitution merely by re-casting its defenses (here, patent invalidity and non-infringement) as counterclaims for declaratory relief?

LIST OF PARTIES AND AFFILIATES

Pursuant to Supreme Court Rule 29.1, there are no parent companies or non-wholly owned subsidiaries of the petitioner, International Rectifier Corporation.

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PETITION FOR A WRIT OF CERTIORARI

International Rectifier Corporation ("International Rectifier" or "IR") respectfully petitions for a writ of certiorari to review an order of the United States Court of Appeals for the Federal Circuit mandating a jury trial of the underlying action – an action in which IR seeks only equitable injunctive relief barring SGS-Thomson Microelectronics, Inc. ("ST") from committing further acts of patent infringement.

This Court recently granted certiorari to review a very similar jury trial order by the same court of appeals in another case. (Order Granting Certiorari in *American Airlines, Inc. v. Lockwood*, No. 94-1660, 115 S. Ct. 2274

(June 5, 1995).) The fundamental legal basis for mandating a jury trial in this case was the Federal Circuit's decision in *In re Lockwood*, 50 F.3d 966 (Fed. Cir.), *cert. granted*, 115 S. Ct. 2274 (1995), the decision now under review by this Court.

DECISIONS BELOW

The opinion of the court of appeals, issued April 25, 1995, is unreported.[1] A reproduction appears in the appendix accompanying this petition at pages App. 1-4. None of the rulings by the district court have been reported. The two district court orders that directly relate to this petition, filed February 22, 1995 and April 11, 1994, are reproduced in the appendix at pages App. 5-6 and App. 7-8, respectively.

STATEMENT OF JURISDICTION

International Rectifier seeks review of an order of the Court of Appeals for the Federal Circuit issued April 25, 1995, directing the district court, by writ of mandamus, to conduct a jury trial in this case. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1). The court of appeals had jurisdiction to issue the writ of mandamus under the All Writs Act, 28 U.S.C. § 1651. The district

[1] IR has requested publication of the Federal Circuit's decision as a precedential order. As of the date of this petition, there has been no action on IR's request.

court has jurisdiction over this case under 28 U.S.C. §§ 1331, 1338.[2]

CONSTITUTIONAL PROVISIONS AND STATUTES INVOLVED

United States Constitution, Seventh Amendment:

> In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.

Declaratory Judgment Act, 28 U.S.C. § 2201(a):

> In a case of actual controversy within its jurisdiction, . . . any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of

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[2] On July 5, 1995, the district court entered an order which had the effect of staying the underlying litigation pending the outcome of reexamination proceedings in the United States Patent and Trademark Office relating to the patents-in-suit. (Order Granting in Part International Rectifier's Motion to Amend Order of Dismissal, entered July 5, 1995.) ST has purported to "appeal" from the district court's order by filing a notice of appeal on July 6, 1995. Because there has been no final order or other final decision in the case, however, IR moved the Federal Circuit on July 19, 1995, to dismiss ST's "appeal" for lack of appellate jurisdiction. *See Brace v. O'Neill*, 567 F.2d 237, 241-43 (3d Cir. 1977); *Quinn v. CGR*, 828 F.2d 1463, 1465 & n.2 (10th Cir. 1987); *Intermedics Infusaid, Inc. v. Regents of the Univ. of Minn.*, 804 F.2d 129, 132 n.5 (Fed. Cir. 1986); *Gould v. Control Laser Corp.*, 705 F.2d 1340 (Fed. Cir.), *cert. denied*, 464 U.S. 935 (1983). IR's motion to dismiss the appeal is pending.

> any interested party seeking such declaration, whether or not further relief is or could be sought. Any such declaration shall have the force and effect of a final judgment or decree and shall be reviewable as such.

STATEMENT OF THE CASE

While the underlying action seeks an injunction for patent infringement, this petition involves no issue of patent law. The issue raised by this petition involves the interpretation and application of the jury trial right conferred by the Seventh Amendment to the United States Constitution. The facts of this case are very similar to the facts of *American Airlines, Inc. v. Lockwood*, No. 94-1660, the case in which this Court recently granted certiorari to review a strikingly similar jury trial issue. The limited extent to which the salient facts differ from *Lockwood*, however, make the grant of certiorari even more appropriate here.

From the outset of this case, International Rectifier has sought *only equitable relief* – an *injunction* against further patent infringement by ST. In answer to IR's claims, ST asserted the customary affirmative defenses of patent invalidity and unenforceability, and alleged that its accused products do not infringe IR's patents. ST also re-cast its defenses as counterclaims for declaratory relief and made a demand for trial by jury. All of the matters to be tried in this case were put in issue by IR's complaints and ST's affirmative defenses; nothing whatsoever was added by ST's counterclaims for declaratory relief.

On this record, the district court struck ST's jury demand, concluding that "no right to a trial by jury exists as to any issue in this case." (App. 8.) ST later moved to reinstate its jury demand after the Federal Circuit issued its decision in *Lockwood*. The district court did not read *Lockwood* as requiring a jury trial of ST's declaratory judgment claims and therefore denied ST's motion. (App. 5-6.)

ST then petitioned the Court of Appeals for the Federal Circuit to issue a writ of mandamus directing the district court to try ST's counterclaims for declarations of patent invalidity, unenforceability and noninfringement to a jury. The Federal Circuit, in the decision for which review is sought, granted ST's petition in part, directing the district court to reinstate ST's jury demand for its counterclaims seeking declaratory judgments of noninfringement and invalidity. (App. 1-3.) The Federal Circuit denied ST's petition with respect to its demand for a jury trial of patent unenforceability due to alleged inequitable conduct, and that portion of the court's decision is not at issue in this petition. (App. 4.)

On May 2, 1995, International Rectifier petitioned the Federal Circuit for a rehearing *en banc* to reconsider the grant of mandamus and, upon that reconsideration, to deny ST's petition for a writ of mandamus in its entirety. As of the date hereof, the Federal Circuit has not acted on IR's request for rehearing *en banc*.

REASONS FOR GRANTING THE PETITION

I. THIS COURT HAS ALREADY RECOGNIZED THE NATIONAL IMPORTANCE OF THE QUESTION PRESENTED.

The issue of whether a Seventh Amendment jury trial right attaches to ST's declaratory relief claims on the facts of this case is of fundamental importance – both in constitutional terms and in terms of the administration of justice by the district courts. As Circuit Judge Nies recognized in her dissent in *Lockwood*: "No more important nor contentious an issue arises in patent law jurisprudence than the appropriate role of juries in patent litigation." *Lockwood*, 50 F.3d at 980-81 (Nies, J., dissenting from denial of rehearing *en banc*).

Although the Federal Circuit issued its aberrant decision here in a non-precedential form, the decision portends the direction the Federal Circuit is heading and exacerbates the need created by the errors of *Lockwood* for constitutional guidance from this Court. As the Court has already been told in briefing on the *Lockwood* petition for a writ of certiorari, the Federal Circuit's decision in the instant case has "***intensified*** the conflict" with "the decisions of this Court" first created by *Lockwood*. (Petitioner's Reply Brief in *American Airlines v. Lockwood*, No. 94-1660, p. 6, dated May 16, 1995 (emphasis added); *see also* Brief of *Amicus Curiae* AIPLA in Support of Petitioner in *American Airlines, Inc. v. Lockwood*, No. 94-1660, pp. 6-7, dated May 8, 1995.) By granting certiorari to review the Federal Circuit's decision in *Lockwood*, this Court has acknowledged, at least implicitly, the importance of this

jury trial issue and the need for guidance in this area. But this Court's review of *Lockwood* is now in jeopardy.

As the Court undoubtedly is aware, Mr. Lockwood recently moved to dismiss *Lockwood* as "moot" based on his stipulation to a bench trial of American Airlines' declaratory judgment counterclaims. (Motion to Dismiss as Moot, filed in Case No. 94-1660 on June 19, 1995.) Indeed, Mr. Lockwood specifically so stipulated "for purposes of mooting the case pending before [this] Court. . . . " (*Id.*, appendix, p. 2.) The instant case between IR and ST, therefore, may be the only viable vehicle for clarifying the breadth of the Seventh Amendment right to a jury trial of claims for declaratory judgments. Moreover, the instant case is the only present vehicle for this Court to guide the application, if any, of the Seventh Amendment jury trial right to wholly equitable claims mirrored by claims for declaratory relief.

The orderly administration of justice in the district courts will also fall victim to the Federal Circuit's pronouncement of what claims must be tried to a jury, if that pronouncement is allowed to stand. After *Lockwood* and now the Federal Circuit's decision in this case, ***a district court can be compelled, on demand, to hold a jury trial in every single patent case.*** This is so whether or not the patentee has filed suit seeking only equitable injunctive relief (as IR did here), or, indeed, whether or not the patentee has filed suit at all. An accused infringer can compel a jury trial by merely filing a declaratory judgment claim (or counterclaim) and a jury demand. Of course, the patentee can always compel a jury trial by suing for money damages.

The conventional wisdom used to be that patent cases should be tried to judges. *See, e.g., Blonder-Tongue Labs, Inc. v. Univ. of Illinois Found.*, 402 U.S. 313, 336 n.30 (1971) (noting that only 13 of 382 patent cases tried during the three-year period of 1968-1970 were tried to juries). Consequently, the impact on our court system of jury trials in patent cases was relatively small. It is therefore not surprising, as Judge Nies observed in *Lockwood*, that this Court has not addressed the role of juries in patent cases in this century. 50 F.3d at 980.

Today, however, parties routinely demand juries. *Id.* at 980 n.1 ("In fiscal year 1994, 70% of patent trials were tried to juries.") Unless corrected by this Court, the Federal Circuit's rulings in *Lockwood* and in this case will impose a significant burden on the resources of the federal judiciary by mandating juries, on demand, where they have never been required before. As the American Intellectual Property Law Association ("AIPLA") recently explained the problem to this Court, the resulting burden on our federal judiciary could be enormous:

> Even before this very recent trend toward a large majority of patent trials being tried to juries, patent trials were among the most lengthy of all types of cases tried in our Federal Courts. And, a patent jury trial typically consumes much more time than the same case would have taken as a bench trial to a Federal Judge. . . .
>
> . . . .
>
> The Federal Circuit's panel decision . . . opens floodgates potentially to deluge our Federal Courts with an even greater number of

> patent jury trials. And worse, it may open such floodgates in all cases involving a declaratory judgment count.

(Brief of *Amicus Curiae* AIPLA in Support of Petitioner in *American Airlines, Inc. v. Lockwood*, No. 94-1660, pp. 5-7, dated May 8, 1995.) The AIPLA's comments stemmed from the Federal Circuit's decisions in both *Lockwood* and this case. As the AIPLA put it, the decision in the present case ***"reinforces*** AIPLA's concerns with respect to the potential effects of the order in *Lockwood* ***on all future declaratory judgment cases."*** (*Id.*, p. 7 (emphasis added).)

II. THE FEDERAL CIRCUIT'S DECISION CONFLICTS WITH MANY DECISIONS OF THIS COURT AND OTHER CIRCUITS.

A. The Federal Circuit Has Rejected The Seventh Amendment Analysis Prescribed By This Court.

The Seventh Amendment preserves the right to a jury trial only in civil actions "at common law." U.S. Const. amend. VII; *Chauffeurs, Teamsters & Helpers Local No. 391 v. Terry*, 494 U.S. 558, 564 (1990). An action "at common law" is one which would have been tried to a common law court, not a court of equity, in 18th-century England. *Tull v. United States*, 481 U.S. 412, 417 (1987).

This Court has repeatedly instructed the lower courts to use a two-part test to determine whether an action is one at common law and, thus, whether a Seventh Amendment right to a jury trial attaches. The test itself is well-settled and straightforward:

> The form of our analysis is familiar. "First, we compare the statutory action to 18th-century actions brought in the courts of England prior to the merger of the courts of law and equity. Second, we examine the remedy sought and determine whether it is legal or equitable in nature." *Tull v. United States*, 481 U.S. 412, 417-418 (1987) (citations omitted). The second stage of this analysis is more important than the first. *Id.*, at 421.

Granfinanciera, S.A. v. Nordberg, 492 U.S. 33, 42 (1989). This test was most recently reaffirmed by this Court in *Wooddell v. Int'l Brotherhood of Electrical Workers*, 502 U.S. 93, 97 (1991).

Applying the test here, the first prong requires that the closest 18th-century English analog to ST's claims for declaratory relief be identified and categorized as either a claim at law (triable to a jury) or in equity (triable to the bench). Thankfully, the search is short and the outcome is clear. As observed by the Federal Circuit in *Lockwood*, the analog to such a declaratory relief claim is a suit for patent infringement in which the affirmative defense of invalidity has been pled. 50 F.3d at 974 & n.9. As such, the declaratory relief claim is like an inverted action for patent infringement where the issues-in-suit are essentially the same, but the positions of the parties are reversed. *Id.* at 975 & n.10. To find the precise historical analog to ST's declaratory relief claims, therefore, one need not look beyond IR's claims – for an injunction *only*. Under 18th-century English practice, a patentee seeking

only an injunction against future infringement was *restricted* to a proceeding in equity. *Id.* at 976.[3]

Turning to the second, and more important, prong of the test prescribed by this Court – *i.e.*, "examin[ation of] the remedy sought [to] determine whether it is legal or equitable in nature," *Tull*, 481 U.S. at 417-18 – the answer becomes self-evident. The relief sought in this case and the relief that would have been sought by a patentee under 18th-century English practice is one and the same – an injunction against future infringement. An injunction is the archetype of equitable relief. *See, e.g., Mertens v. Hewitt Assocs.*, 113 S. Ct. 2063, 2068 (1993). Accordingly, the results reached under both prongs of the Seventh Amendment analysis prescribed by this Court confirm that ST has *no* Seventh Amendment right to have its declaratory relief claims tried to a jury.

In reaching a wholly different, and clearly erroneous, result, the Federal Circuit inexplicably failed to mention, let alone apply, the two-part test. Instead, the court reasoned that its own prior decision in *Lockwood* dictated the result. (*See* App. 1-3.) But the Federal Circuit in *Lockwood* jettisoned this Court's Seventh Amendment test in favor of a test of the Federal Circuit's own making:

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[3] ST argued below that the more appropriate analog to its declaratory relief claims was a writ of *scire facias*, but that argument was specifically rejected in *Lockwood*. 50 F.3d at 974-75 n.9; *see also* 50 F.3d at 985 (Nies, J., dissenting) (pointing out that *scire facias*, even if it were the closest analog, historically was frequently an action in equity with no jury or with only an advisory jury).

> if a particular action entails *either* the adjudication of legal rights, *or, alternatively,* the implementation of legal remedies, the district court must honor a jury demand. . . .

50 F.3d at 972 (emphasis added, citations omitted).

This "either/or" test defies this Court's precedents, which specifically mandate consideration of *both factors* and give greater weight in the analysis to the remedy sought. Here, the Federal Circuit considered *neither factor.* First, it disregarded the fact that the historical analog of ST's declaratory relief claim was IR's claim for only injunctive relief – a claim clearly sounding in equity. Then, as in *Lockwood,* it disregarded entirely the remedy sought by IR, even though this Court has repeatedly emphasized that the relief requested is the more important factor in the Seventh Amendment analysis. *Chauffeurs,* 494 U.S. at 565; *Granfinanciera,* 492 U.S. at 42; *Tull,* 481 U.S. at 421; *Curtis v. Loether,* 415 U.S. 189, 196 (1974).

As Judge Nies explained in her dissent in *Lockwood,* in which the Federal Circuit omitted just the second half of the two-part test, "[t]he panel's holding [in *Lockwood*] is unprecedented." 50 F.3d at 984. "The panel recognizes the two part test (18th Century analog AND remedy) announced repeatedly but changes the 'and' to 'or.' " *Id.* (emphasis in original). "By completely disregarding any analysis of the remedy sought in this case, the panel is accomplishing in this case what the [Supreme] Court specifically rejected in *Tull.*" *Id.* (footnote omitted).

The Federal Circuit's errors in *Lockwood* are already before the Court, although Mr. Lockwood contends they

have been mooted. Because the Federal Circuit compounded those errors in this case, thereby *"intensifl[ying]* the conflict between its decisions and the decisions of this Court" (Reply Brief of Petitioner in *Lockwood*, No. 94-1660, p. 6 (emphasis added)), the present case is even more appropriate for review – and it is not moot.

B. The Federal Circuit Has Created A Conflict Among The Circuits.

Typically, Federal Circuit decisions interpreting substantive patent laws do not create conflicts among the circuits because the Federal Circuit maintains exclusive subject matter jurisdiction over patent appeals. *See* 28 U.S.C. § 1295(a)(1). But, where, as here, the Federal Circuit's decision does **not** depend upon an interpretation of the patent laws, the Federal Circuit can create a circuit conflict.

The Federal Circuit's ruling in this case purports to rest entirely upon general principles of the Seventh Amendment and the Declaratory Judgment Act. In her dissent in *Lockwood*, Judge Nies compared the Federal Circuit's Seventh Amendment analysis with that of other circuits and concluded that *Lockwood* "creates the type of conflict with other circuits that warrants Supreme Court review." 50 F.3d at 987. Judge Nies' observations about *Lockwood* are even more pertinent here, as the Federal Circuit has elevated to new heights the conflict she identified.

The conflict becomes most pronounced when the Federal Circuit's decision in this case is juxtaposed with decisions of other circuits involving intellectual property

rights. No apparent reason exists – whether grounded in the Constitution, statutory or case law, or public policy – why jury trial rights should differ in patent cases as compared with trademark or copyright cases. To be sure, neither the Federal Circuit nor any other circuit has articulated any. But the Federal Circuit in this case found a jury trial "right" where another circuit did not.

In both *Shubin v. United States District Court*, 313 F.2d 250 (9th Cir.), *cert. denied*, 373 U.S. 936 (1963), and *Anti-Monopoly, Inc. v. General Mills Fun Group*, 611 F.2d 296 (9th Cir. 1979), the Ninth Circuit found *no* right to trial by jury of equitable claims involving intellectual property rights despite the existence of opposing claims for declaratory relief.

In *Shubin*, an accused patent infringer brought a declaratory judgment action alleging that the patent was invalid. The patentee counterclaimed for an injunction barring future infringement, but did not seek monetary damages. The Ninth Circuit held, appropriately enough, that there was no right to a jury trial in these circumstances because the claim for relief was "a purely equitable claim." 313 F.2d at 252.

In *Anti-Monopoly*, a potential infringer of a trademark brought claims for unfair competition and declaratory relief alleging that the MONOPOLY trademark was invalid. The owner of the trademark counterclaimed for declaratory and injunctive relief. The infringer's declaratory relief claim was later severed from its claims for damages and tried in a bench trial with the counterclaims for declaratory and injunctive relief. On appeal, the Ninth Circuit held that there was no right to a jury trial of the

infringer's declaratory relief claim because the only issues to be adjudicated were equitable, not legal issues. 611 F.2d at 307-08.

These cases are indistinguishable from the present case. Like the patentee in *Shubin* and the owner of the trademark in *Anti-Monopoly*, IR seeks *only* an injunction, no award of damages is possible, and the only claims left in the case are IR's claims for equitable injunctive relief and ST's redundant declaratory relief claims parroting its affirmative defenses to IR's equitable claims.[4] Yet, if the Federal Circuit's rulings in *Lockwood* and this case are left intact, litigants in the Federal Circuit will have broader Seventh Amendment jury trial rights in patent cases, and perhaps ***all*** declaratory judgment cases, than litigants in the Ninth Circuit will have in trademark, copyright and declaratory judgment cases. Such constitutional disparities are intolerable.

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[4] The Federal Circuit attempted to distinguish *Shubin* and *Anti-Monopoly* from the facts before it in *Lockwood*, but did so in a way that confirmed the similarity of these cases to the facts of this case:

> [In *Shubin*, the] patentee's counterclaim for a permanent injunction against future infringement, paired with its stipulation to the absence of any claim for infringement damages, convinced the court that the issues in the case were purely equitable ones. Likewise, in *Anti-Monopoly*, a trademark case, the court focused on the fact that only injunctive and declaratory claims and counterclaims remained to be adjudicated, concluding that the action was equitable.

50 F.3d at 977 (citation omitted). Curiously, the Federal Circuit ignored these authorities entirely in its decision here, even though IR had heavily relied on them.

C. The Federal Circuit's Extension Of The Jury Trial Right To Claims Involving No Request For Monetary Relief Or The Recovery Of Property Is Not Supported By Any Precedent.[5]

Claims for monetary damages or recovery of real or personal property comprise the *only* forms of relief that this Court has held to trigger a Seventh Amendment right to jury trial.[6] Much of the Court's modern Seventh Amendment jurisprudence has been an effort to classify various actions for monetary relief and the recovery of property as either legal or equitable.[7] In so doing, the Court has never suggested that the constitutional right to a jury trial extends to cases such as the present involving **no** claim for monetary relief or the recovery of property.

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[5] This section of the petition, as well as section III and parts of the others, parallel closely portions of American Airlines' petition for a writ of certiorari in No. 94-1660, dated April 6, 1995.

[6] *See Mertens*, 113 S. Ct. at 2068 ("Money damages are, of course, the classic form of *legal* relief."); *Chauffeurs*, 494 U.S. at 570 (same); *Pernell v. Southall Realty*, 416 U.S. 363, 370 (1974) ("This Court has long assumed that actions to recover land, like actions for damages to a person or property, are actions at law triable to a jury."); *Scott v. Neely*, 140 U.S. 106, 110 (1891) ("All actions which seek to recover specific property, real or personal, . . . are legal actions. . . . "); *Whitehead v. Shattuck*, 138 U.S. 146, 151 (1891) (same); *see also Lockwood*, 50 F.3d at 987 (Nies, J., dissenting).

[7] *See Tull*, 481 U.S. at 422 (civil penalty); *Pernell*, 416 U.S. at 370 (recovery of real property); *Katchen v. Landy*, 382 U.S. 323, 336-40 (1966) (claims for monetary relief in bankruptcy proceeding); *Dairy Queen, Inc. v. Wood*, 369 U.S. 469, 476-79 (1962) (accounting for profits).

Consistent with this Court's precedents, the circuit courts have held that the presence of a claim for monetary relief acts as the touchstone of the right to trial by jury.[8] For example, the District of Columbia Circuit has held that a pending claim for damages is "a prerequisite to a claim that [a party] is being deprived of a right to a jury trial." *Filmon Process Corp. v. Sirica*, 379 F.2d 449, 451 (D.C. Cir. 1967). Similarly, the Sixth Circuit has held that "[a] key dividing line between law and equity has historically been that the former deals with money damages and the latter with injunctive relief." *Hildebrand v. Board of Trustees of Mich. State Univ.*, 607 F.2d 705, 708 (6th Cir. 1979).

The Federal Circuit's departure from this basic distinction between legal and equitable remedies is unprecedented. As apparently the first appellate court to find a Seventh Amendment right to a jury trial in a case involving no claim for monetary relief or the recovery of property, the Federal Circuit has put itself squarely in conflict with its sister circuits and this Court. The Federal Circuit transformed what was once a narrow right applicable to certain claims for monetary relief and the recovery of property into a right of unknown scope, applicable whether or not any traditional legal relief is involved. Review of the Federal Circuit's departure from precedent and practice and its corresponding expansion of the Seventh Amendment is therefore appropriate.

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[8] In most cases the circuit courts have overlooked legal actions for the recovery of property, presumably because these actions are so rarely tried in the federal courts today.

III. THE FEDERAL CIRCUIT'S DECISION CONFLICTS WITH THIS COURT'S DECLARATORY JUDGMENT JURISPRUDENCE.

Since the enactment of the Declaratory Judgment Act, 28 U.S.C. § 2201, this Court has explained on many occasions that declaratory relief is a discretionary, equitable remedy.[9] As this Court explained in *Great Lakes Dredge & Dock Co. v. Huffman*, 319 U.S. 293, 300 (1943), declaratory relief is "essentially an equitable cause of action" and "is analogous to the equity jurisdiction in suits *quia timet* or for a decree quieting title." Indeed, even before the passage of the Declaratory Judgment Act, Justice Brandeis explained that declaratory relief "would . . . come under a familiar head of equity jurisdiction." *Willing v. Chicago Auditorium Ass'n*, 277 U.S. 274, 289 (1928).

In stating that "it would be clear under our order in *Lockwood* that either SGS-Thomson or IR would have a right to a jury trial" if ST "had brought an action seeking declaratory judgments of noninfringement or invalidity" (App. 3), the Federal Circuit rejected outright these Supreme Court precedents as well. According to the Federal Circuit in *Lockwood*, these cases do not "stand for the proposition that declaratory judgment actions are always, or even usually, equitable for Seventh Amendment purposes." 50 F.3d at 979 & n.17. In the Federal Circuit's view, this Court's declaratory judgment jurisprudence is

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[9] *See, e.g., Samuels v. Mackell*, 401 U.S. 66, 70-71 (1971); *Abbott Labs. v. Gardner*, 387 U.S. 136, 155 (1967); *Public Affairs Assoc. v. Rickover*, 369 U.S. 111, 112 (1962) (declaratory judgment action to invalidate a copyright); *Eccles v. Peoples Bank of Lakewood Village*, 333 U.S. 426, 431 (1948).

not relevant because this Court's decisions merely "concern the discretionary nature of the decision to grant declaratory relief in a particular equitable cause of action rather than the Seventh Amendment right to a jury trial." *Id.* at 979 n.17.

Nothing supports the Federal Circuit's reading of this Court's declaratory judgment cases. This Court has held, as a matter of historical fact, that declaratory relief is predominately equitable in nature. And this Court has held, as a matter of constitutional law, that no right to a jury trial attaches to claims historically tried to courts of equity. Actions for declaratory relief were traditionally tried to courts of equity and therefore do not come within the scope of the Seventh Amendment. In holding otherwise in *Lockwood*, the Federal Circuit was apparently led astray by a misunderstanding of the holding in *Beacon Theaters, Inc. v. Westover*, 359 U.S. 500 (1959). *See Lockwood*, 50 F.3d at 973.

In *Beacon*, this Court held that a legal claim for damages must be tried before any bench trial on a claim for declaratory relief. 359 U.S. at 503-04. A claim for declaratory relief, like any other equitable claim, cannot be used to resolve the merits of a legal claim for damages without a jury. *Id.* at 504; *see also Simler v. Conner*, 372 U.S. 221, 223 (1963).

There was, of course, no *Beacon* issue in this case because IR did not bring a legal claim for damages. Thus, there was no legal claim of IR that ST's declaratory relief claim could have resolved at all – let alone resolve it in a way that would have deprived IR of a jury trial right which IR did not have!

Thus, in *Beacon*, this Court held that the character of the affirmative claim for monetary relief, not the claim for declaratory relief, dictated whether the case would be tried to a judge or to a jury. Similarly, as to patent cases, Professor Moore has observed:

> [T]he alleged infringer of a patent cannot dictate the method of trial. While he may take the initiative and bring an action for declaratory and other relief along equitable lines, the patentee can determine the method of trial by counterclaiming for 'legal' or 'equitable' relief, just as he would have the right to do if the position of the parties were reversed and he were the plaintiff and the alleged infringer were the defendant.

5 J. Wm. Moore, *Moore's Federal Practice*, pp. 38-244 and 38-245, ¶ 38.29 (2d ed. 1995). Accordingly, IR's claim for purely equitable injunctive relief here is – and should have been recognized by the Federal Circuit as – controlling.

Before the court of appeals, ST characterized this result as giving one party, the patentee, the unilateral right to elect trial by jury. That characterization is false. A plaintiff always has the right to select the claims on which it will sue and to choose the relief it will seek. Having done so, it is those claims and that relief which control whether a jury trial right will attach *at all*. Because IR has chosen to sue only on a purely equitable claim for an injunction, *no* jury trial right arises, and *neither* IR *nor* ST is permitted to elect trial by jury.

CONCLUSION

For all of the foregoing reasons, IR respectfully requests that its petition for a writ of certiorari be granted.

July 24, 1995

Respectfully submitted,

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APPENDIX

NOTE: Pursuant to Fed. Cir. R. 47.6, this order is not citable as precedent. It is a public record.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

MISCELLANEOUS DOCKET NO. 428

IN RE SGS-THOMSON MICROELECTRONICS, INC.,

Petitioner.

ON PETITION FOR WRIT OF MANDAMUS

Before ARCHER, Chief Judge, FRIEDMAN, Senior Circuit Judge, and BRYSON, Circuit Judge.

BRYSON, Circuit Judge.

ORDER

(Filed April 25, 1995)

SGS-Thomson Microelectronics, Inc., (SGS-Thomson) petitions for a writ of mandamus to direct the United States District Court for the Central District of California to reinstate SGS-Thomson's demand for a jury trial. International Rectifier Corporation (IR) opposes.

Briefly, IR sued SGS-Thomson for patent infringement. IR sought only an injunction to prohibit future infringement. SGS-Thomson asserted its defenses and also counterclaimed for declaratory judgments of non-infringement, invalidity, and unenforceability. SGS-Thomson demanded a jury trial on the counterclaims. IR moved to strike SGS-Thomson's jury trial demand. On April 11, 1994, the district court granted IR's motion to

strike the jury trial demand, without explanation. Following issuance of this court's order in *In re Lockwood*, ___ F.3d ___, 33 USPQ2d 1406 (Fed. Cir. 1995), SGS-Thomson moved to reinstate its jury trial demand. The district court denied SGS-Thomson's motion, again without explanation. SGS-Thomson petitions this court for a writ of mandamus to direct the district court to reinstate its demand for a jury trial.

In *Lockwood*, Lawrence W. Lockwood sued American Airlines for patent infringement. Lockwood sought damages for patent infringement and an injunction prohibiting future infringement and demanded a trial by jury. American counterclaimed for declaratory judgments of noninfringement, invalidity, and unenforceability. The district court granted summary judgment of noninfringement and dismissed Lockwood's complaint. The district court determined that it would also decide invalidity and unenforceability. American moved to strike Lockwood's demand for a jury trial, and the district court granted American's motion.

We held that, in determining Lockwood's right to a jury trial on the declaratory judgment counterclaim, we would not consider the relief sought by Lockwood in his complaint because the complaint had been dismissed. *Lockwood*, 33 USPQ2d at 1408. We explained that the closest analogy to the declaratory judgment action was an action for infringement in which the defense of invalidity was asserted. *Id.* at 1412.* Based solely on our consideration

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*We note that here, SGS-Thomson's counterclaims for declaratory judgments of *noninfringement*, invalidity, and unenforceability are

of American's counterclaim for a declaratory judgment of invalidity, we held that Lockwood was entitled to a jury trial if demanded. *Id.* at 1417. In light of *Lockwood* and relevant Supreme Court precedent, discussed below, SGS-Thomson's demand for a jury trial concerning noninfringement and invalidity in this case should be honored.

If SGS-Thomson had brought an action seeking declaratory judgments of noninfringement or invalidity, it would be clear under our order in *Lockwood* that either SGS-Thomson or IR would have a right to a jury trial. The presence of IR's request for injunctive relief does not take those facts or issues away from the jury. *Dairy Queen v. Wood*, 369 U.S. 469, 472-73 (1962) (claims that are legal in nature and thus entitle the parties to a trial by jury may not be treated as subservient to a claim for an injunction so as to deprive a party of its right to a jury trial on the issues involved in the legal claims); *Beacon Theatres, Inc. v. Westover*, 359 U.S. 500, 508 (1959) (same).

IR is incorrect in its argument that a patentee determines whether an alleged infringer is entitled to a jury trial on declaratory judgment claims by the type of relief that the patentee chooses to seek to enforce its patent. Although *Lockwood* mentioned the patentee's remedy choices in its discussion of the history of patent litigation relating to the Seventh Amendment right to trial by jury, 33 USPQ2d at 1414, the court based its decision on the legal nature of the declaratory judgment action, not the nature of the patentee's claim.

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more comparable to an inverted lawsuit for patent infringement than American's counterclaims of invalidity and unenforceability in *Lockwood*.

Thus, we conclude that SGS-Thomson is entitled to a jury trial on its counterclaims for declaratory judgments of invalidity and noninfringement. Neither party, however, is entitled to a jury trial on SGS-Thomson's counterclaim for a declaratory judgment of unenforceability. *See Gardco Mfg., Inc. v. Herst Lighting Co.*, 820 F.2d 1209 (Fed. Cir. 1987).

Accordingly,

IT IS ORDERED THAT:

SGS-Thomson's petition for a writ of mandamus is granted in part; the district court is directed to reinstate SGS-Thomson's jury demand for its counterclaims seeking declaratory judgments of noninfringement and invalidity.

FOR THE COURT

APR 25 1995
Date

/s/ William C. Bryson
William C. Bryson
Circuit Judge

cc: David T. Pritikin, Esq.
David E. Killough, Esq.
United States District Court for the
Central District of California, Judge
United States District Court for the
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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

INTERNATIONAL RECTIFIER CORPORATION, Plaintiff, vs. SGS-THOMSON MICROELECTRONICS, INC., and SGS-THOMSON MICROELECTRONICS, S.r.l., Defendants. AND RELATED COUNTERCLAIMS.	Case No. CV 92-6779-R ORDER DENYING DEFENDANTS' MOTION FOR REINSTATEMENT OF JURY DEMAND (Filed Feb. 22, 1995) Date: February 21, 1995 Time: 10:00 a.m. Courtroom of the Honorable Manuel L. Real

Defendants' motion for reinstatement of their jury demand and for a jury trial came on regularly for hearing before the Court on February 21, 1995 at 10:00 a.m. Plaintiff was represented by David E. Killough, Esq., of O'Melveny & Myers. Defendants were represented by Thomas D. Rein, Esq., of Sidley & Austin. The Court,

having read and considered the papers filed in support of and in opposition to the motion and having heard the oral arguments of counsel, finds that defendants' motion should be and, therefore, hereby is DENIED.

DATED: FEB 22, 1995

/s/ MANUEL L. REAL
Honorable Manuel L. Real
U.S. District Judge

Submitted by:

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GLENN W. TROST
O'MELVENY & MYERS

By /s/ David E. Killough
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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

INTERNATIONAL RECTIFIER CORPORATION, Plaintiff, vs. SGS-THOMSON MICROELECTRONICS, INC.,and SGS-THOMSON MICROELECTRONICS, S.r.l., Defendants. AND COUNTERCLAIMS.	Case No. CV 92-6779 R ORDER ON PLAINTIFF INTERNATIONAL RECTIFIER CORPORATION'S MOTION TO STRIKE DEFENDANTS' JURY DEMAND OR, IN THE ALERTNATIVE, TO BIFURCATE NON-JURY FROM JURY ISSUES (Filed Apr. 11, 1994) Date: March 21, 1994 Time: 10:00 a.m. Courtroom of the Honorable Manuel L. Real

The motion of plaintiff International Rectifier Corporation ("IR") to strike defendants' jury demand or, in the alternative, to bifurcate non-jury issues for separate trial from jury issues, came on regularly for hearing before the Court on March 21, 1994, at 10:00 a.m. The parties were

represented by their respective counsel of record. The Court, having read and considered the papers filed in support of and in opposition to the motion, and having heard the oral argument of counsel, rules as follows:

> IR's motion to strike defendants' jury demand is GRANTED. The Court finds that no right to a trial by jury exists as to any issue in this case and, therefore, defendants' jury demand should be and hereby is stricken pursuant to Rule 39 of the Federal Rules of Civil Procedure. All issues in this case shall be tried to the Court, sitting without a jury.

* * *

DATED: April 11, 1994

/s/ Real
Honorable Manuel L. Real
U.S. District Judge

Respectfully submitted,

DAVID E. KILLOUGH
O'MELVENY & MYERS
By /s/ David E. Killough
David E. Killough
Attorneys for Plaintiff and Counterdefendant International Rectifier Corporation

(2)

No. 95-143

Supreme Court, U.S.
FILED
AUG 23 1995
CLERK

IN THE
Supreme Court of the United States
OCTOBER TERM, 1995

INTERNATIONAL RECTIFIER CORPORATION,
Petitioner,

v.

SGS-THOMSON MICROELECTRONICS, INC.,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

---

BRIEF IN OPPOSITION

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August 23, 1995

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QUESTION PRESENTED

Whether a party that seeks declaratory judgments of patent invalidity and noninfringement has a right to trial by jury on its declaratory judgment claims under the Seventh Amendment?

LIST OF PARTIES AND AFFILIATES

In addition to the parties listed in the caption, SGS-Thomson Microelectronics, S.r.l. (an Italian company) was a defendant in the district court; it was not a party in the court of appeals.

Pursuant to S. Ct. Rule 29.1, the following are the parent companies and non-wholly owned subsidiaries of SGS-Thomson Microelectronics, Inc.:

SGS-Thomson Microelectronics, N.V.

Thorn EMI plc

Thomson-CSF.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1995

No. 95-143

INTERNATIONAL RECTIFIER CORPORATION,
Petitioner,

v.

SGS-THOMSON MICROELECTRONICS, INC.,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

---

BRIEF IN OPPOSITION

SGS-Thomson Microelectronics, Inc. ("ST"), respectfully submits this brief in opposition to the petition for a writ of certiorari filed by International Rectifier Corporation ("IR"). Because the issue presented by the petition is moot, the petition should be dismissed in accordance with *United States v. Munsingwear, Inc.*, 340 U.S. 36, 39 (1950). If the Court should conclude that the petition is not moot, the petition nevertheless should be denied because the Federal Circuit's decision creates no conflict with the decisions of this Court or other courts of appeals and is, in all events, correct.

DECISIONS BELOW

In addition to the decisions below referred to in the petition, the district court entered an order dismissing the case without prejudice on June 7, 1995, and amended

that order on July 5, 1995. *See* Appendix to Opposition, pp. 5a-7a ("Opp. App."). The Federal Circuit on July 25, 1995, denied IR's Suggestion for Rehearing In Banc and on July 28, 1995, denied IR's request that the court reissue the April 25, 1995, nonprecedential panel opinion in precedential form. *See* Opp. App., pp. 1a-4a.

STATEMENT REGARDING JURISDICTION

Because the case previously pending in the district court has been dismissed and is no longer pending, the jury trial question presented by IR's petition is moot, and this Court therefore lacks subject matter jurisdiction over IR's petition.

After IR filed this patent infringement action in the district court, the United States Patent and Trademark Office ("PTO") initiated reexamination proceedings with respect to both of the IR patents at issue. After the Federal Circuit granted in part ST's petition for mandamus on April 25, 1995—the decision IR challenges in its petition for certiorari—the PTO rejected all claims of both patents that are in any way relevant to this litigation. Because of these determinations by the PTO, ST moved in the district court to dismiss this action without prejudice. The district court granted ST's motion on June 7, 1995. Opp. App., p. 5a. On IR's motion, the district court amended its dismissal order on July 5, 1995, to provide that either party may move to reinstate the case following resolution of the reexamination proceedings in the PTO. Opp. App., pp. 6a-7a; *see* Pet., p. 3 n.2. The July 5 order, however, like the June 7 order, dismissed the action without prejudice and removed the case from the district court's docket. ST submits that, in the present posture of this case, the issue of the right to a jury trial is moot, and the petition should be dismissed. *See infra,* pp. 5-6.

COUNTERSTATEMENT OF THE CASE

ST does not specifically disagree with any of the facts stated in the petition. Nevertheless, to place the issues in their appropriate context requires some additional background.

ST and IR are two of the leading designers and manufacturers of power MOSFETs, tiny transistors used in consumer and industrial electrical switching applications. In this suit, filed on November 13, 1992, IR sought injunctive relief for ST's alleged infringement of two United States patents, No. 5,008,725 and No. 5,130,767, that had been assigned to IR. By way of counterclaim, ST sought, *inter alia,* a declaration that the patents were invalid and unenforceable on various grounds and a declaration that its accused products did not infringe those patents. ST demanded a trial by jury on its counterclaims.

While the litigation was pending in the district court, ST petitioned the United States Patent and Trademark Office ("PTO") to reexamine IR's patents. *See* 35 U.S.C. § 302. Presently, the PTO has, in the reexamination proceedings, rejected all of the claims of IR's patents that are relevant to this litigation. It was on this basis that ST moved the district court to dismiss the case and that the district court granted that motion, albeit without prejudice to either party moving to restore the case to the docket after the conclusion of the reexamination proceedings. *See* Opp. App., pp. 5a-7a.

As IR notes, prior to the PTO action and prior to the district court's dismissal order, ST petitioned the United States Court of Appeals for the Federal Circuit to issue a writ of mandamus directing that ST's declaratory judgment claims be tried to a jury. The Federal Circuit granted that petition for mandamus in part. After IR filed its petition for certiorari, the Federal Circuit denied IR's Suggestion for Rehearing In Banc. Opp. App., pp. 1a-3a.

REASONS FOR DENYING THE PETITION

As a preliminary matter, this Court should dismiss the petition for lack of jurisdiction. The underlying controversy—whether ST has a right to a jury trial on its claims for declaratory judgments that IR's patents are invalid and that ST did not infringe those patents—is moot. There is presently no case pending before the district court; the possibility that the case may someday be reinstated and the parties may someday proceed to trial is too contingent to support subject matter jurisdiction over the petition. The petition should therefore be dismissed in accordance with *United States v. Munsingwear, Inc.*, 340 U.S. 36, 39 (1950).

Even if the petition is not moot, it should be denied for three reasons. First, the Federal Circuit's decision creates no conflict with the decisions of this Court. IR's assertion to the contrary—that declaratory judgment actions are always (and only) equitable and therefore the Seventh Amendment right to a jury trial never attaches—simply misreads the controlling precedents of this Court. Second, the Federal Circuit's decision creates no conflict with any decisions of other courts of appeals. The cases IR cites either do not squarely address the issue or have been superseded by *Cardinal Chemical Co. v. Morton International, Inc.*, 113 S. Ct. 1967 (1993), in which this Court held that a declaratory judgment action presents an independent claim which must be considered on its own merits. Finally, the Federal Circuit's decision was, in all events, correct. The court of appeals properly applied the established test for determining the right to a jury trial under the Seventh Amendment when it decided that an action seeking declaratory judgments of patent invalidity and noninfringement was analogous to an inverse infringement suit at common law and accorded the parties the right to a jury trial. The Federal Circuit's result is also correct when viewed in light of the writ of *scire facias*, which was the means by which a private party

sought to have a patent declared invalid in 18th-Century England. In such a proceeding, the party seeking to have the patent nullified had a right to trial by jury.

1. Because the underlying case presently is not pending before the district court, this Court lacks subject matter jurisdiction over the question IR presents in its petition. The petition therefore should be dismissed in accordance with *United States v. Munsingwear, Inc.*, 340 U.S. 36, 39 (1950). Although, prior to the district court's dismissal order, the parties had a live case or controversy concerning ST's entitlement to a jury trial on its declaratory judgment claims, the dismissal has mooted that issue. Accordingly, any ruling on this issue by this Court at this time would be purely advisory.

Even in cases in which the parties had a live controversy at the time the court of appeals ruled, Article III requires that a live case or controversy continue to exist before this Court. "That the dispute between the parties was very much alive when suit was filed, or at the time the Court of Appeals rendered its judgment, cannot substitute for the actual case or controversy that an exercise of this Court's jurisdiction requires." *Honig v. Doe*, 484 U.S. 305, 317 (1988). Determination of whether ST has a right to jury trial on its claims for declaratory judgments of invalidity and noninfringement will not resolve any "real and substantial controversy admitting of specific relief through a decree of conclusive character" but rather would provide only "an opinion advising what the law would be upon a hypothetical state of facts." *Aetna Life Ins. Co. v. Haworth*, 300 U.S. 227, 241 (1937).

It is true that the parties may again face the issue of ST's right to a jury trial in this case: the PTO may ultimately permit some claims to issue in some form with respect to one or both of the patents at issue; one of the parties may move the district court to reinstate the case to the docket (and the district court may in fact do so); ST may conclude that it wishes to pursue a declaratory

judgment invalidating IR's patent claims (however they may be redefined following the reexamination proceedings); and ST or IR may decide that it wishes to have that claim tried to a jury. But this series of contingencies that must be resolved before the jury trial issue will arise again clearly establishes that there is no "specific live grievance" presently before the Court. *Golden v. Zwickler*, 394 U.S. 103, 110 (1969). Similarly, it may be the case—as IR asserts—that the right to jury trial on declaratory judgment claims in patent cases presents an important question (Pet., pp. 6-9), "but the Article III question is not whether the requested relief would be nugatory as to the world at large, but whether [the litigant before the Court] has a stake in that relief." *Lewis v. Continental Bank Corp.*, 494 U.S. 472, 479 (1990). IR, the litigant here, presently has no such stake, and the petition therefore should be dismissed.[1]

2. Even if the issue the petition presents is not moot, the petition should be denied because the Federal Circuit's decision presents no inconsistency with this Court's declaratory judgment cases. IR asserts that the Federal Circuit erred in finding a right to jury trial because

---

[1] Even if the jury trial issue is not technically moot, the contingencies presented by the PTO reexamination proceedings nevertheless counsel against reviewing that question at this juncture. The reexamination proceedings may result in patent claims somewhat (or even substantially) different from the claims that were initially the subject of this suit. This Court has previously held that "[w]hile the ultimate question of patent validity is one of law, [it] lends itself to several basic factual inquiries." *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966). Those factual inquires—indeed, even the question whether there are any disputed questions of material fact—will turn on the precise claims that emerge from the reexamination proceedings. "Justiciability concerns not only the standing of litigants to assert particular claims, but also the appropriate timing of judicial intervention." *Renne* v. *Geary*, 501 U.S. 312, 320 (1991). If and when all of the contingencies are resolved and the parties are again facing a trial on the merits, mandamus review by the Federal Circuit and review by this Court of any questions concerning the right to jury trial will be available.

"declaratory relief is predominantly equitable in nature [a]nd this Court has held, as a matter of constitutional law, that no right to a jury trial attaches to claims historically tried to courts of equity." Pet., p. 19. Although IR is correct that there is no right to jury trial in equitable actions, its assertion that declaratory judgment actions are always and exclusively equitable simply misreads this Court's decisions.

This Court, in fact, in *Simler v. Conner*, 372 U.S. 221 (1963), rejected the precise argument IR now makes. There, the respondent argued that declaratory judgment actions were " 'equitable' and not 'legal' in character" and therefore the right to jury trial did not attach. *Id.* at 222. The Court concluded that the form of the action was irrelevant to the resolution of the Seventh Amendment question: "The fact that the action is in form a declaratory judgment case should not obscure the essentially legal nature of the action." *Id.* at 223. Instead, in determining whether there is a right to a jury trial in a given declaratory judgment case, the courts should look to the "basic character" of the issues in the suit to determine whether they are issues to which a right to a jury trial traditionally attached. *Id.* ("The case was in its basic character a suit to determine and adjudicate the amount of fees owing to a lawyer by a client under a contingent fee retainer contract, a traditionally 'legal' action."). *See also Ross v. Bernhard*, 396 U.S. 531, 538 (1970) ("The Seventh Amendment question depends on the nature of the issue to be tried rather than the character of the overall action.").

Similarly, in *Beacon Theatres, Inc. v. Westover*, 359 U.S. 500 (1959), this Court stated that "[t]he District Court's finding that the Complaint for Declaratory Relief presented basically equitable issues draws no support from the Declaratory Judgment Act. That statute, while allowing prospective defendants to sue to establish their nonliability, specifically preserves the right to jury trial for both parties." *Id.* at 504. Statements in other deci-

sions of this Court (*see* Pet., p. 18 n.9[2]) that district courts have discretion whether or not to entertain declaratory judgment actions therefore have nothing to do with the scope of Seventh Amendment rights in those cases. And IR's assertion that the Federal Circuit has misread *Beacon Theatres* (Pet., p. 19) is without basis.

In this regard, IR simply confuses the issue that was before the Federal Circuit: whether ST had a right to a jury trial on its declaratory judgment claims. IR inexplicably focuses on whether *its* claim, which it cast solely as a claim for injunctive relief, gives rise to a right to trial by jury. *See* Pet., p. 20 (stating that "[b]ecause IR has chosen to sue only on a purely equitable claim for an injunction, *no* jury trial right arises"); *see also* Pet., p. 10 ("one need not look beyond IR's claims —for an injunction *only*"). As the Federal Circuit correctly recognized, whether any party has a right to a jury trial on IR's injunctive action is simply irrelevant. "The presence of IR's request for injunctive relief does not take" ST's claims "away from the jury." App., p. 3.

IR makes a similar mistake when it repeatedly argues that "nothing whatsoever was added [to the case in the district court] by ST's counterclaims for declaratory relief." Pet., p. 4; *see also* Pet., pp. 7, 15, 19. These assertions are flatly contrary to this Court's decision in *Cardinal Chem. Co. v. Morton Int'l, Inc.*, 113 S. Ct. 1967 (1993). There, the Court reversed the Federal Circuit's practice of routinely vacating district court declaratory judgments of patent invalidity where the court of appeals had found that the patents-at-issue were not infringed. This Court held, "A party seeking a declaratory judgment of invalidity presents a claim independent of the patentee's charge of infringement." *Id.* at 1975.

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[2] Citing *Samuels v. Mackell*, 401 U.S. 66, 70-71 (1971); *Abbott Labs. v. Gardner*, 387 U.S. 136, 155 (1967); *Public Affairs Assoc. v. Rickover*, 369 U.S. 111, 112 (1962); *Eccles v. Peoples Bank of Lakewood Village*, 333 U.S. 426, 431 (1948).

Absent a declaratory judgment counterclaim, a defendant asserting both noninfringement and invalidity has no means to force the resolution of the validity question. *Compare id.* at 1973 (court may vacate findings of invalidity when invalidity is presented only as an affirmative defense). This Court in *Cardinal Chemical* specifically "emphasized the importance to the public at large of resolving questions of patent validity." *Id.* at 1977 (citing *Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation*, 402 U.S. 313 (1971)).

3. The Federal Circuit's decision is not in direct conflict with any decision of another court of appeals. As a threshold matter, IR concedes that "Federal Circuit decisions . . . do not create conflicts among the circuits because the Federal Circuit maintains exclusive subject matter jurisdiction over patent appeals. *See* 28 U.S.C. § 1295(a)(1)." Pet., p. 13. IR nevertheless strains to create a conflict between the Federal Circuit's decision here (and in *In re Lockwood*, 50 F.3d 966 (Fed. Cir.), *cert. granted*, 115 S. Ct. 2274 (1995)) and two cases from the Ninth Circuit: *Shubin v. United States District Court*, 313 F.2d 250 (9th Cir.), *cert. denied*, 373 U.S. 936 (1963), and *Anti-Monopoly, Inc. v. General Mills Fun Group*, 611 F.2d 296 (9th Cir. 1979), *cert. denied*, 459 U.S. 1227 (1983). As the Federal Circuit held in *Lockwood*, 50 F.3d at 977, no conflict exists.

In both *Shubin* and *Anti-Monopoly*, the courts noted that no claims for damages were pending and simply assumed, without analysis, that all of the remaining claims sought only equitable relief. *Shubin*, 313 F.2d at 251-52; *Anti-Monopoly*, 611 F.2d at 307-08. Neither case treated the declaratory judgment claims as independent claims requiring independent consideration. *Compare Lockwood*, 50 F.3d at 977 ("In neither *Shubin* nor *Anti-Monopoly*, however, did the Ninth Circuit address whether an action for a declaratory judgment of invalidity standing alone entitles the defendant patentee to a jury trial on the factual questions relating to validity as a matter

of right."). But *Cardinal Chemical* teaches that declaratory judgment claims are independent claims (113 S. Ct. at 1975), and those claims must therefore be independently analyzed for Seventh Amendment purposes. Moreover, in *Shubin*, "[t]he court focused . . . on the sort of action the defendant patentee could have brought at common law to raise the issues presented in the case." *Lockwood*, 50 F.3d at 977. "Because the parties had stipulated to the fact that no infringement had yet occurred" (*id.*), the patentee would not have had even the theoretical possibility of a common law damages action. In contrast, a patentee in IR's position at common law could have elected to sue for damages. *See Shubin*, 313 F.2d at 251. And, in *Anti-Monopoly*, the party seeking a jury trial did not argue that its declaratory judgment claims standing alone entitled it to a jury, but rather relied entirely on the fact that claims for damages, since dismissed, had once been part of the case. *See Anti-Monopoly*, 611 F.2d at 307. Neither case therefore calls into question the correctness of either *Lockwood* or the Federal Circuit's decision here.

4. This Court also should decline certiorari because the Federal Circuit's decisions here and in *Lockwood* were correct. Initially, the *Lockwood* court properly followed the analytical framework required by the Seventh Amendment, and IR's assertions to the contrary are completely unfounded. *Compare* Pet., pp. 10-13. Specifically, the *Lockwood* court applied "the controlling test" and decided that Lockwood had a right to a jury trial on the declaratory judgment counterclaim because issues of invalidity arose in the pre-1791 English courts as defenses to patent infringement actions. Because a patentee could elect to seek infringement damages in the English courts of law, issues of invalidity raised by the defendant could be decided by a jury. *Lockwood*, 50 F.3d at 971-80.

IR's suggestion that the Federal Circuit erred in applying its *Lockwood* reasoning in this case because IR sought only injunctive relief (Pet., pp. 10-11) simply misreads

Lockwood. The *Lockwood* court decided that an action for a declaratory judgment of patent invalidity required a trial by jury because patent invalidity was an issue that could arise in the English common law courts. The actual presence of a damages claim in a particular case was irrelevant. In this light, IR's complaint that *Lockwood* "jettisoned" (Pet., p. 11) the controlling Seventh Amendment test when it decided that actions seeking declaratory judgments of patent invalidity require the "adjudication of legal rights" and therefore carry with them the right to a jury trial is misplaced. As previously discussed, this Court in *Simler* held that a right to jury trial attached in that declaratory judgment case because the declaratory judgment claim there required the adjudication of contract issues that were traditionally legal in nature.

As the Federal Circuit in this case acknowledged, however, the principle recognized in *Lockwood* cannot be limited to the unexceptional proposition that a patentee who sues for damages has a right to have his claim and the common factual issues in a counterclaim for a declaration of invalidity heard by a jury. That proposition was established beyond cavil in *Beacon Treatres*, as even IR recognizes in its petition. *Compare* Pet., p. 19. As this Court made clear in *Cardinal Chemical*, a declaratory judgment claim is a separate and distinct claim that must be addressed on its own merits.

In this regard, IR's argument that the relief sought by ST's declaratory judgment action is not legal relief because ST does not seek "monetary damages or recovery of real or personal property" is fundamentally misdirected. Pet., pp. 16-17. As this Court held in *Simler*, *Ross*, and *Beacon Theatres*, declaratory judgment relief is as legal or equitable as the underlying controversy and, as the Federal Circuit properly recognized, claims of invalidity (and noninfringement) present legal controversies. Moreover, a patent is a property right, and an action for a declaration of patent invalidity seeks a ruling that the

patentee must be divested of that claimed property right. *Compare Pernell v. Southall Realty*, 416 U.S. 363, 370 (1974) (action for ejectment is "at law triable to a jury").

The *Lockwood* court's discussion of the writ of *scire facias* as a historical antecedent to an action for a declaratory judgment of invalidity further supports the Federal Circuit's holding in this case that all parties in the action have the right to a jury trial on ST's declaratory judgment counterclaims. *See* 50 F.3d at 974 n.9. As the *Lockwood* court noted, the English writ of *scire facias* was very similar to a declaratory judgment action, and in *scire facias* proceedings a jury resolved the factual issues. *Lockwood*, 50 F.3d at 974 n.9. A careful review of the historical evidence establishes that *scire facias* is an appropriate analogy for Seventh Amendment purposes in this case because, contrary to some questions raised in *Lockwood*, a private party could initiate a *scire facias* proceeding as a matter of right at common law and could seek a *scire facias* for invalidity.

First, English practice at common law provided that the writ of *scire facias* could be used by a private party to challenge a patent. Although a *scire facias* proceeding was brought in the name of the king, it was a remedy available as a matter of right to his subjects. Blackstone explains:

> Where the crown hath unadvisedly granted any thing by letter patent, which ought not to be granted, or where the patentee hath done an act that amounts to a forfeiture of the grant, the remedy to repeal the patent is by writ of *scire facias* in chancery. This may be brought either on the part of the king in order to resume the thing granted; or if the grant be injurious to a subject, the king is *bound* of right to permit him (upon his petition) to use his royal name for repealing the patent in a *scire facias.*

3 William Blackstone, *Commentaries on the Law of England* **260-61 (emphasis added). *See also Attorney Gen-*

eral ex rel. Hecker v. Rumford Chemical Works, 32 F. 608, 618 (C.C.D.R.I. 1876) ("The action of scire facias was not only a remedy provided by law for the crown in behalf of the public, but also for any subject of the crown who could show that a void or illegal patent operated to his prejudice"); *Mowry v. Whitney*, 81 U.S. (14 Wall.) 434, 440 (1871) ("when a patent is granted to the prejudice of the subject, the king of right is to permit him upon his petition to use his name for the repeal of it, in *scire facias* at the king's suit").[3]

Second, as recognized in Judge Nies' dissent from the denial of rehearing *in banc* in *Lockwood*, it was established at common law that a writ of *scire facias* could issue based on a determination that a patent was invalid as well as a determination that it had been procured by fraud. 50 F.3d at 984-85 (citing *Mowry*, 81 U.S. at 439, and *United States v. Stone*, 69 U.S. (2 Wall.) 525, 535 (1864)); *see also* Edward Coke, *The Fourth Part of the Institutes of the Laws of England* *88. The Federal Circuit in *Lockwood* concluded otherwise (50 F.3d at 974 n.9) because it misinterpreted this Court's opinion in *Ex parte Wood*, 22 U.S. (9 Wheat.) 603, 609 (1824)—in which Justice Story wrote that *scire facias* issued at common law "to repeal patents which have been obtained surreptitiously, or upon false suggestion"—to mean that *scire facias* was available only to repeal fraudulently obtained patents. *See Lockwood*, 50 F.3d at 974 n.9. However, as Justice Story himself elsewhere made clear, *scire facias* would lie based upon allegations of invalidity, as well as allegations of fraud. In his commentary on the patent laws, Justice Story explained that the procedure "to try the validity of a patent . . . is in the nature of a *scire facias* at the common law." Joseph Story, *On the*

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[3] Early United States cases that hold that only the government can seek a declaration of patent invalidity (*e.g.*, *United States v. American Bell Telephone Co.*, 128 U.S. 315 (1888)) reflect only American law which, after the patent law revision of 1836, eliminated the prior private right of action. *See id.* at 371.

Patent Laws, 16 U.S. (3 Wheat.) app. 13, 28 (1818). In fact, "[t]he judgment in a *scire facias* for repealing a patent [was] 'that the said letters patent of our said lord the King be revoked, cancelled, vacated, annulled, void, and *invalid*.'" *Underhill v. Devereux*, 2 Wms. Saund. 72, 85 Eng. Rep. 733 (K.B. 1671) (editor's notes) (emphasis added).[4]

Third, in 18th-Century England and in the United States before the patent law revision of 1836, it was established that a *jury* decided the factual issues in a private action for *scire facias*. At common law, as Blackstone explained (*see supra*, p. 12), *scire facias* was sought in chancery. 3 William Blackstone, *Commentaries on the Law of England* **260-61. The English Court of Chancery, in which a writ of *scire facias* was pursued, had two courts: "the one ordinary, being a court of common law; the other extra-ordinary, being a court of equity. The ordinary legal court is much more ancient than the court

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[4] The leading commentator on *scire facias* elaborates:

> A scire facias lies to repeal a patent granted for an invention not invented or introduced into the kingdom by the patentee, or which is not new and useful to the public, or which is void for uncertainty, for being too general, or for false suggestions by which the Queen has been misinformed in her grant, or where the same thing has been granted to two persons.

Thomas Campbell Foster, *A Treatise on the Writ of Scire Facias* *368 (1851).

Two cases decided just six years before the ratification of the Bill of Rights similarly illustrate the fact that *scire facias* was the proper action to obtain a declaration of patent invalidity. *Rex v. Else*, 1 Carp. P.C. 103 (K.B. 1785), "was a proceeding by writ of *scire facias* to repeal the patent on the ground that there was no new invention described in the specification." *Id.* After hearing testimony, the court concluded that "the patent is clearly void, and the jury must find for the crown." *Id.* at 105. Similarly, *Rex v. Arkwright*, 1 Carp. P.C. 53 (K.B. 1785), was an action on a *scire facias* to declare a patent invalid because "the invention, at the time of granting the letters patent, was not a new invention." *Id.* at 53. The jury found the machine lacking in invention, and thus the court invalidated the patent. *See id.* at 57, 103.

of equity. Its jurisdiction is to hold plea upon a *scire facias* to repeal and cancel the king's letters patent." 3 *id.* at *47. Factual issues in a *scire facias* proceeding were tried to a *jury* at common law. *See Lockwood*, 50 F.3d at 974 n.9; *see also Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 1010-15 (Fed. Cir. 1995) (in banc) (Newman, J., dissenting) (collecting 18th Century English cases); *Ex parte Wood*, 22 U.S. (9 Wheat.) 603, 613-14 (1824) (Story, J.) ("If a patent has been fraudulently obtained, or upon false suggestions, it may be repealed within three years, if a jury, upon a trial, shall be satisfied of the fact"); *Attorney General ex rel. Hecker*, 32 F. at 619 (a *scire facias* action "was a *quasi* common-law proceeding, with the right of trial by jury"); Neil Davenport, *The United Kingdom Patent System: A Brief History* 78 (1979) ("the validity of the patent was then tried, usually with a jury in the Court of the King's (or Queen's) Bench").

In essence, the Declaratory Judgment Act, by permitting a private party to seek an adjudication of the validity of a patent, whether or not the patentee sued first, reinstated that branch of *scire facias* practice by which private parties could seek a determination that a patent was invalid at common law. And, as explained above, there is a well-established right to try such a claim to a jury. *Compare Beacon Theatres*, 359 U.S. at 509 (the Declaratory Judgment Act, and the liberalization of the rules of civil procedure, effectuated an "expansion of adequate legal remedies"); *Dairy Queen, Inc. v. Wood*, 369 U.S. 469, 478 (1962) (ability of court to appoint a special master to assist jury with complicated damages calculations meant that equitable action for accounting (without a jury) could not in general be maintained).

Of course, ST's right, as a declaratory judgment plaintiff, to a jury trial under the Seventh Amendment does not turn on whether the common law writ of *scire facias* in all respects mirrors the present action for a declaratory judg-

ment of patent invalidity or noninfringement. As this Court explained in *Curtis v. Loether:*

> By *common law,* [the Framers of the Seventh Amendment] meant . . . not merely suits, which the *common* law recognized among its old and settled proceedings, but suits in which *legal* rights were to be ascertained and determined, in contradistinction to those where equitable rights alone were recognized.

415 U.S. 189, 193 (1974) (emphasis in original). "Whether or not a close equivalent to [an action] existed in England in 1791 is irrelevant for Seventh Amendment purposes, for that Amendment requires trial by jury in actions unheard of at common law, provided that the action involves rights and remedies of the sort traditionally enforced in an action at law, rather than in an action in equity or admiralty." *Pernell,* 416 U.S. at 375. At common law, factual issues in a *scire facias* for patent invalidity were determined by a jury.

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be dismissed for lack of jurisdiction. In the alternative, if the Court concludes that it does not lack jurisdiction over the petition, certiorari should be denied.

Respectfully submitted,

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August 23, 1995

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UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

Misc. No. 95-M428

IN RE SGS-THOMSON MICROELECTRONICS, INC.,
Petitioner.

David E. Killough, Kenneth R. O'Rourke, Glenn W. Trost and *John A. Crose, Jr.*, O'Melveny & Myers, of Los Angeles, California, Attorneys for respondent filed a Suggestion for Rehearing In Banc of Order Granting A Writ of Mandamus. Also on the Suggestion for Rehearing were *Samuel H. Weiner* and *Stephen A. Soffen*, Ostrolenk, Faber, Gerb & Soffen, of New York, New York.

David T. Pritikin, Constantine L. Trela, Thomas D. Rein and *Bruce M. Zessar*, Sidley & Austin, of Chicago, Illinois, Attorneys for petitioner filed an answer to respondent's suggestion for Rehearing In Banc.

Appeal from: U.S. District Court for the
Central District of California

Judge Real

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

ORDER

A suggestion for rehearing in banc having been filed by the RESPONDENT, and a response thereto having been invited by the court and filed by the PETITIONER, and the matter having first been referred as a petition for rehearing to the panel that heard the appeal, and the suggestion for rehearing in banc and response were thereafter circulated to judges on the panel that heard the appeal and to the remaining active judges authorized to request a poll whether to rehear the appeal in banc, and a poll having been requested, taken, and failed,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for rehearing be, and the same hereby is, DENIED, and it is further

ORDERED that the suggestion for rehearing in banc be, and the same hereby is, DECLINED.

Circuit Judge Nies has filed a dissenting opinion, in which Chief Judge Archer and Circuit Judge Plager join.

FOR THE COURT
FRANCIS X. GINDHART
Clerk

By: /s/ Diane M. Frye
DIANE M. FRYE
Chief Deputy Clerk

Dated: July 25, 1995

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

Misc. No. 95 M428

IN RE SGS-THOMSON MICROELECTRONICS, INC.,
Petitioner.

NIES, *Circuit Judge,* dissenting from Order declining the suggestion for rehearing *in banc,* with whom ARCHER, *Chief Judge,* and PLAGER, *Circuit Judge,* join.

International Rectifier sued SGS-Thomson for patent infringement. International Rectifier sought only an injunction barring future infringement. SGS-Thomson counterclaimed for a declaratory judgment of noninfringement, invalidity, and unenforceability, and demanded a jury trial. The district court granted International Rectifier's motion to strike the jury trial demand. By a petition for a writ of mandamus, SGS-Thomson sought an order for a jury trial on its declaratory judgment counterclaims. On April 25, 1995, a panel of this court issued an Order granting SGS-Thomson's petition in part, directing the court to reinstate SGS-Thomson's jury demand, except on the equitable count of unenforceability. This court now denies International Rectifier's request for rehearing *in banc.*

The panel relied on the controlling precedent of *In re Lockwood,* 30 USPQ2d 1292 (Fed. Cir. 1994), *vacated, reh'g granted, and reh'g in banc denied,* 50 F.3d 966, 33 USPQ2d 1406, 33 USPQ2d 1907 (Fed. Cir. 1995) (*Nies, J., dissenting from denial of reh'g in banc*), *cert. granted sub nom. American Airlines, Inc. v. Lockwood,* 1995 WL 231117 (June 5, 1995). I dissent from the denial of *in banc* here for the reasons set forth in my *Lockwood* dissent.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

Miscellaneous Docket No. 428

IN RE SGS-THOMSON MICROELECTRONICS, INC.,
Petitioner.

ON MOTION

ORDER

International Rectifier Corporation and American Airlines, Inc. request that the court reissue as precedential the court's April 25, 1995 order granting in part SGS-Thomson Microelectronics, Inc.'s petition for a writ of mandamus.

Upon consideration thereof,

IT IS ORDERED THAT:

The requests to reissue the April 25, 1995 order as precedential are denied.

FOR THE COURT

/s/ Francis X. Gindhart
FRANCIS X. GINDHART
Clerk

7-28-95

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

No. CV 92-6779 R

INTERNATIONAL RECTIFIER CORPORATION,
Plaintiff,

vs.

SGS-THOMSON MICROELECTRONICS, INC., and
SGS-THOMSON MICROELECTONICS, S.r.l.,
Defendants.

AND RELATED COUNTERCLAIMS

ORDER ON ST'S MOTION FOR DISMISSAL WITHOUT PREJUDICE

The ST Parties (or "ST"), defendant and counterclaimant SGS-Thomson Microelectronics, Inc. and defendant SGS-Thomson Microelectronics, S.r.l., have moved this Court (a) for an order dismissing the remaining claims in this case without prejudice, or, in the alternative, (b) for an order continuing the trial of this action (presently set for June 6, 1995), for additional discovery, and for leave to supplement the pretrial submissions.

Having read the papers filed by the parties, and good cause appearing therefor, IT IS THEREBY ORDERED AS FOLLOWS:

1. ST's motion to dismiss the remaining claims in this action without prejudice is GRANTED.

2. The Clerk is directed to enter this Order.

Dated: June 5, 1995

/s/ Manuel L. Real
MANUEL L. REAL
United States District Judge

Entered: June 7, 1995

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

No. CV 92-6779 R

INTERNATIONAL RECTIFIER CORPORATION,
Plaintiff,

VS.

SGS-THOMSON MICROELECTRONICS, INC., and
SGS-THOMSON MICROELECTONICS, S.r.l.,
Defendants.

AND RELATED COUNTERCLAIMS

ORDER GRANTING IN PART, INTERNATIONAL RECTIFIER'S MOTION TO AMEND ORDER OF DISMISSAL

The motion of plaintiff International Rectifier Corporation ("IR") for an order under Rule 60 amending the "Order on ST's Motion for Dismissal Without Prejudice," filed June 5 and entered June 7, 1995, came on regularly for hearing before the Court on July 3, 1995. IR and the SGS-Thomson defendants ("ST") were each represented by their respective counsel of record. Having read and considered the papers filed in support of and in opposition to the motion, and having heard the oral argument of counsel, the Court finds that the motion should be and, therefore, hereby is:

Alternative A

Denied.

Alternative B

Granted, except that the Order should be amended to the form of order submitted by ST.

More specifically, the Order on ST's Motion for Dismissal Without Prejudice is amended nunc pro tunc as follows:

1. ST's motion to dismiss the remaining claims in this action without prejudice is GRANTED.

2. The Court shall retain jurisdiction to reinstate this action on the application of any party following the pending Patent Office reexamination proceedings on IR's U.S. Patent Nos. 5,008,725 and 5,130,767. All prior rulings and orders of the Court in this action are preserved pending reinstatement of this action.

3. If and when this case is reinstated, a status conference will be held to determine how this case will proceed. Before trial, the parties may be required to file amended Contentions Memoranda and an amended Pre-Trial Conference Order.

4. The Clerk is directed to enter this Order.

Dated: Jul. 3, 1995

/s/ Manuel L. Real
HONORABLE MANUEL L. REAL
U.S. District Judge

Entered: July 5, 1995

(3)

Supreme Court, U.S.
FILED
SEP 25 1995
CLERK

No. 95-143

In The

Supreme Court of the United States

October Term, 1995

INTERNATIONAL RECTIFIER CORPORATION,

Petitioner,

v.

SGS-THOMSON MICROELECTRONICS, INC.,

Respondent.

Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

REPLY BRIEF IN SUPPORT OF PETITION FOR A WRIT OF CERTIORARI

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September 25, 1995

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16 pgs

LIST OF AFFILIATES

Pursuant to Supreme Court Rule 29.1, there are no parent companies or non-wholly owned subsidiaries of the petitioner, International Rectifier Corporation.

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No. 95-143

In The

Supreme Court of the United States

October Term, 1995

INTERNATIONAL RECTIFIER CORPORATION,

Petitioner,

v.

SGS-THOMSON MICROELECTRONICS, INC.,

Respondent.

Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

REPLY BRIEF IN SUPPORT OF PETITION FOR A WRIT OF CERTIORARI

I. EVENTS SINCE THE FILING OF THE PETITION HAVE HEIGHTENED THE IMPORTANCE OF REVIEW BY THIS COURT.

Developments in this case and in *American Airlines, Inc. v. Lockwood*, No. 94-1660, since the filing of International Rectifier Corporation's ("IR's") petition for a writ of certiorari have heightened the need for this Court to grant certiorari and to decide the issue raised by IR's petition.

On July 25, 1995, the United States Court of Appeals for the Federal Circuit issued a published, **precedential** decision denying IR's suggestion for rehearing *en banc* of the Federal Circuit panel decision mandating that this

case be tried to a jury. *In re SGS-Thomson Microelectronics, Inc.*, 35 USPQ2d 1639 (1995) (Opp. App., pp. 1a-3a.)[1] Thus, the Federal Circuit's decision, if left intact by this Court, will require *all* district courts, on demand by any party, to conduct a jury trial in *every* patent case. (*See* Pet., p. 7.) This is so even where the patentee has filed suit seeking only equitable injunctive relief, as IR did here. (*Id.*) Moreover, under the Federal Circuit's reasoning, a Seventh Amendment "right" to a jury trial could extend far beyond patent cases to virtually all declaratory judgment cases. (*See id.*, pp. 6-9.)

The Federal Circuit's decision here is not the first time it has attempted to so expand jury trial rights in a precedential decision, but it is now the only such decision left on the books. On September 1, 1995, this Court vacated the Federal Circuit's precedential decision in *Lockwood*, the first Federal Circuit decision holding that jury trial rights attach to declaratory relief claims. *In re Lockwood*, 50 F.3d 966 (Fed. Cir.), *vacated sub. nom., American Airlines, Inc. v. Lockwood*, ___ U.S. ___ (1995) (the order vacating *Lockwood* is reproduced in the appendix hereto).

Despite this Court's order vacating *Lockwood*, the rule of *Lockwood* lives on in the Federal Circuit's precedential decision in this case.[2] District courts deciding similar jury trial questions are therefore confronted with conflicting authority: arguably controlling precedent from the Federal Circuit in this case versus the strong, contrary signal

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[1] The Federal Circuit's original panel decision has now been published as well, *In re SGS-Thomson Microelectronics, Inc.*, 35 USPQ2d 1572 (1995), but that decision is non-precedential.

[2] This is made clear by Judge Nies' dissenting opinion in **this case**, which recites the facts of this case, notes that "[t]he panel relied on the controlling precedent of *In re Lockwood*" and dissents "from the denial of *en banc* here for the reasons set forth in [her] *Lockwood* dissent." (Opp. App., p. 3a.)

sent by this Court when it vacated *Lockwood*. The potential for confusion and inconsistent jury trial "rights" created by this conflict can be avoided if the Court reviews the Federal Circuit's decision in this case – or vacates it as this Court vacated *Lockwood*.

II. THE FEDERAL CIRCUIT'S DECISION CONFLICTS WITH THIS COURT'S PRECEDENTS.

SGS-Thomson Microelectronics, Inc. ("ST") attempts to justify the Federal Circuit's decision by citing *Simler v. Conner*, 372 U.S. 221 (1963). (Opp. Brief, p. 7.) But, in truth, *Simler* directly undermines the Federal Circuit's ruling.

In *Simler*, this Court held that a jury trial right attached in a declaratory relief action because the "basic character" of the underlying controversy was "legal," not "equitable" (the case involved a dispute over fees under a contract). Applying this test here, it is readily observed that the basic character of the underlying controversy is the epitome of a suit in equity – a suit seeking only an injunction. (*See* Pet., pp. 10-11.)

Even ST agrees "that there is no right to jury trial in equitable actions . . . . " (Opp. Brief, p. 7.) Thus, under *Simler*, the existence of declaratory relief claims does not change the basic character of the parties' dispute – nor does it give rise to jury trial rights that otherwise do not exist.[3]

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[3] The other case on which ST principally relies, *Beacon Theaters, Inc. v. Westover*, 359 U.S. 500 (1959), is inapposite for the reasons previously stated. (Pet., p. 19.)

III. THE FEDERAL CIRCUIT'S DECISION CONFLICTS WITH DECISIONS OF OTHER CIRCUITS.

ST attempts to avoid the circuit conflict created by the Federal Circuit's decision here by attributing a false position to IR:

ST's Statement of IR's Position

As a threshold matter, IR concedes that "Federal Circuit decisions . . . do not create conflicts among the circuits because the Federal Circuit maintains exclusive subject matter jurisdiction over patent appeals. *See* 28 U.S.C. § 1295(a)(1)."

(Opp. Brief, p. 9 (ellipses and quotation marks in original).)

IR's Statement

Typically, Federal Circuit decisions ***interpreting substantive patent laws*** do not create conflicts among the circuits because the Federal Circuit maintains exclusive subject matter jurisdiction over patent appeals. *See* 28 U.S.C. § 1295(a)(1). ***But, where, as here, the Federal Circuit's decision does not depend on an interpretation of the patent laws, the Federal Circuit can create a circuit conflict.***

(Pet., p. 13 (bold italics indicate words omitted from ST's quotation of IR's statement).)

It will take more than ellipses to resolve the conflict among the circuits. As observed already (*see* Pet., pp. 14-15), the absence of claims for monetary relief led the Ninth Circuit to hold that there is no jury trial right in either a patent case, *Shubin v. U.S. District Court*, 313 F.2d 250 (9th Cir.), *cert. denied*, 373 U.S. 936 (1963), or a trademark case, *Anti-Monopoly, Inc. v. General Mills Fun Group*, 611 F.2d 296 (9th Cir. 1979). The Federal Circuit here, on the same essential facts, came to the opposite conclusion.

(*See* Pet., p. 15.) A ruling on the merits by this Court is required to resolve this conflict.

ST is no more accurate in its assessment that this Court's decision in *Cardinal Chemical Co. v. Morton International, Inc.*, 113 S. Ct. 1967 (1993), somehow "superseded" decisions in conflict with the Federal Circuit's decision here. (Opp. Brief, p. 4.) *Cardinal Chemical* merely overturned the Federal Circuit's practice of dismissing as "moot" claims seeking a declaratory judgment of patent invalidity when there was a determination that the patent-in-suit was not infringed. *Cardinal Chemical* says nothing whatsoever about jury trial rights or the distinction between legal and equitable actions. Just because the merits of a declaratory relief claim must be independently reviewed after an infringement claim is resolved does not mean – or even suggest – that the declaratory relief claim gives rise to jury trial rights that otherwise do not exist.

IV. THE WRIT OF *SCIRE FACIAS* IS IRRELEVANT TO THE QUESTION OF JURY TRIAL RIGHTS IN PATENT CASES.

As noted above, this Court's decision in *Simler v. Conner* teaches that the presence of a declaratory relief claim does not alter the basic character of an action or the parties' rights, if any, to a jury trial. 372 U.S. at 223. Yet that is precisely what ST urges here – that it should gain a jury trial right in an equitable injunction case simply because it has recast its affirmative defenses as declaratory relief counterclaims bearing some resemblance (says ST) to a common law writ of *scire facias*. (Opp. Brief, pp. 12-16.)

Even in *Lockwood* itself, however, the Federal Circuit expressly considered – and rejected – the writ of *scire facias* as the correct historical analog to a declaratory relief claim alleging patent invalidity. 50 F.3d at 974-75

n.9. Accordingly, when ST argues in favor of the writ of *scire facias*, ST necessarily admits error in the prior Federal Circuit decision supposedly justifying that court's decision in this case.

Moreover, ST overreaches in suggesting that *scire facias* was always an action at law with a jury. As Circuit Judge Nies has explained, in 18th-Century England *scire facias* was frequently an action in equity with no jury or with only an advisory jury. *Id.* at 985 (Nies, J., dissenting from denial of rehearing *en banc*). This Court likewise, after observing that writs of *scire facias* in 18th-Century England could be brought in equity, held that there was equitable jurisdiction to invalidate or set aside a patent. *United States v. American Bell Telephone Co.*, 128 U.S. 315, 360-61, 372-73 (1888).

In any event, the Court need not resolve the historical intricacies of *scire facias* to determine whether there are jury trial rights in this case:

> "We need not rest our conclusion on what has been called an 'abstruse historical' search for the nearest 18th-century analog. See *Ross v. Bernhard*, 396 U.S. [531], 538 n.10 [1970]. We reiterate our previously expressed view that characterizing the relief sought is '[m]ore important' than finding a precisely analogous common-law cause of action in determining whether the Seventh Amendment guarantees a jury trial. *Curtis v. Loether*, 415 U.S. [189], 196 [1974]."

Tull v. United States, 481 U.S. 412, 421 (1987).

The Court's admonition is particularly appropriate here because ST, like the Federal Circuit in *Lockwood*, has utterly failed to consider the second, and more important, prong of the Court's longstanding Seventh Amendment test. The second prong – in which the Court must " 'examine the remedy sought and determine whether it is legal or equitable in nature,' " *Granfinanciera, S.A. v.*

Nordberg, 492 U.S. 33, 42 (1989) (quoting *Tull*, 481 U.S. at 417-18) – leads to an obvious conclusion.

No party to this case is seeking monetary relief or recovery of property, the only two forms of relief that this Court has previously held to be legal in nature. (Pet., pp. 16-17, and cases cited therein.) Rather, IR seeks injunctive relief, the archetype of equitable relief (*id.*, p. 11), and ST seeks a declaration of rights, a form of relief traditionally recognized by this Court as being equitable in nature (*id.*, pp. 18-19), and which, in any event, does not alter the basic character of an action or the parties' jury trial rights, if any, in the underlying controversy, *Simler*, 372 U.S. at 223.

Thus, whether or not *scire facias* is the closest historical analog to ST's declaratory relief claims, there can be no denying the fact that the remedies sought in the underlying case (the more important factor in the analysis) are equitable in nature and carry no right to a jury trial.

V. THIS CASE IS NOT MOOT.

ST argues at the outset of its opposition brief that this Court "lacks subject matter jurisdiction over IR's petition" "[b]ecause the case previously pending in the district court has been dismissed and is no longer pending." (Opp. Brief, p. 2.) ST misrepresents the status of proceedings in the district court and the impact of the district court's orders on IR's petition.

In its "dismissal" order of June 7, 1995, as modified *nunc pro tunc* on July 5, 1995 (Opp. App., pp. 5a, 6a-7a), the district court expressly retained jurisdiction to reinstate this action following Patent Office reexamination proceedings and expressly preserved intact all prior rulings and orders of the district court pending reinstatement. (*Id.*, p. 7a.) Such an order is not a final decision on

the merits ending the litigation between the parties,[4] but rather is in substance an order staying the litigation pending the outcome of other proceedings.[5] The stay by the district court here certainly does not divest the district court of its continuing jurisdiction over this action. Likewise, the same stay cannot divest this Court of its continuing jurisdiction to review the extant writ of mandamus issued by the Federal Circuit which binds the district court in this case.[6]

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[4] *See, e.g., Toronto-Dominion Bank v. Central Nat'l Bank & Trust Co.*, 753 F.2d 66, 69-70 (8th Cir. 1985) (purported "judgment" in which the district court retains jurisdiction to amend the judgment on the outcome of other litigation **not** a final appealable judgment); *Willhelm v. Eastern Airlines, Inc.*, 927 F.2d 971, 971-72 (7th Cir. 1991) (case "dismissed with prejudice" subject to being "reopened" if a bankruptcy stay is lifted **not** subject to a final appealable judgment); *Principal Mut. Life Ins. Co. v. Cincinnati TV 64 Limited Partnership*, 845 F.2d 674, 676 (7th Cir. 1988) (dismissal without prejudice permitting reinstatement on motion of a party **not** a final appealable order). "Administrative terminations," while not necessarily final dispositions, are an increasingly common means for removing even temporarily inactive cases from the docket (such as cases that are in substance stayed) for purposes of caseload statistics. 15A Wright, *et al., Federal Practice & Procedure*, § 3914.6, p. 539 (2d ed. 1992).

[5] *See, e.g., Brace v. O'Neill*, 567 F.2d 237, 241-43 (3d Cir. 1977) (an order of dismissal without prejudice "pending final decision in [a] related case" was in substance a stay order); *Quinn v. CGR*, 828 F.2d 1463, 1465 n.2 (10th Cir. 1987) (a case "ordered closed" pending arbitration "to be opened upon a showing of good cause" was "the practical equivalent of a stay").

[6] That the district court action remains a justiciable controversy between the parties will also be confirmed when the Federal Circuit dismisses ST's purported "appeal" from the district court's order. The Federal Circuit has held previously that an order staying patent infringement litigation pending reexamination proceedings in the Patent Office is not a final, appealable order. *Gould v. Control Laser Corp.*, 705 F.2d 1340 (Fed.

ST also suggests that "[e]ven if the jury trial issue is not technically moot, the contingencies presented by the PTO reexamination proceedings nevertheless counsel against reviewing that question at this juncture." (Opp. Brief, p. 6 n.1.) But ST's argument that this Court should wait to review the Federal Circuit's jury trial ruling because Patent Office "reexamination proceedings may result in patent claims somewhat (or even substantially) different from the claims that were initially the subject of this suit" (*id.*) is a red herring. Either the parties have a right to a jury trial or they do not; the wording of patent claims simply has no bearing on that question.

In all events, it makes complete sense to consider the jury trial issue now rather than later. That issue is not moot; indeed, it is hotly contested. The parties have now fully briefed the issue in the district court, before the Federal Circuit and on petition to this Court. No practical benefit would be gained by delaying consideration of the jury trial issue until the stay is lifted in the district court. To the contrary, even assuming there were a vehicle available by which IR could again elevate the jury trial question to this Court, redundant briefing before the district court and duplicative petitions to the Federal Circuit and this Court would be inevitable.

Moreover, if the Federal Circuit's ruling is left intact, ST undoubtedly will take the position that the ruling is law of the case and, right or wrong, controls the method of trial. Such a result would be unfair in the extreme. The ruling also will bind other courts with similar jury trial issues. (*See, supra*, p. 2 & n.2.) Thus, at a minimum, the Court should vacate the Federal Circuit's decision here as this Court vacated *Lockwood*.

Cir.), *cert. denied*, 464 U.S. 935 (1983). IR's motion to dismiss ST's premature "appeal," filed July 19, 1995, is still under consideration by the Federal Circuit.

CONCLUSION

ST has done nothing to rebut the many reasons for granting certiorari set forth in IR's petition. Accordingly, IR respectfully requests that its petition be granted. Even if the Court chooses not to review the Federal Circuit's jury trial ruling in this case at this time, IR respectfully urges the Court to vacate that ruling as the Court vacated the Federal Circuit's decision in *Lockwood*.

September 25, 1995

Respectfully submitted,

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AMERICAN AIRLINES, INC. v. LAWRENCE B. LOCKWOOD

94-1660

SUPREME COURT OF THE UNITED STATES

1995 U.S. LEXIS 5151

September 1, 1995, Decided

JUDGES: [*1] Rehnquist, Stevens, O'Connor, Scalia, Kennedy, Souter, Thomas, Ginsburg, Breyer.

OPINION: The judgment of the United States Court of Appeals for the Federal Circuit is vacated and the case is remanded to the United States District Court for the Southern District of California with instructions to proceed with the case.